

AMENDED IN ASSEMBLY AUGUST 18, 2014

AMENDED IN ASSEMBLY AUGUST 7, 2014

AMENDED IN ASSEMBLY JULY 3, 2014

AMENDED IN ASSEMBLY APRIL 2, 2014

AMENDED IN ASSEMBLY MARCH 5, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1560

Introduced by Assembly Member Quirk-Silva
**(Principal coauthors: Assembly Members *Campos*, *Harkey*, *Gorell*,
Linder, *Muratsuchi*, *Salas*, and *Wilk*)**

January 29, 2014

An act to amend Sections 17059.2 and 23689 of the Revenue and Taxation Code, relating to economic development, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1560, as amended, Quirk-Silva. Income taxes: credits: California Competes Tax Credit.

Existing law allows a credit against the taxes imposed under the Corporation Tax Law and the Personal Income Tax Law for each taxable year beginning on or after January 1, 2014, and before January 1, 2025, in an amount as provided in a written agreement between the Governor's Office of Business and Economic Development and the taxpayer, agreed upon by the California Competes Tax Credit Committee, and based on specified factors, including the number of jobs the taxpayer will create or retain in the state and the amount of investment in the state by the

taxpayer. Existing law limits the aggregate amount of credits allocated to taxpayers to a specified sum per fiscal year.

This bill would authorize the Director of Finance to increase the aggregate amount of the economic development credits that may be allocated to taxpayers each *fiscal* year by \$25 million per *fiscal* year through ~~2019~~ *the 2017–18 fiscal year*.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17059.2 of the Revenue and Taxation
2 Code is amended to read:
3 17059.2. (a) (1) For each taxable year beginning on and after
4 January 1, 2014, and before January 1, 2025, there shall be allowed
5 as a credit against the “net tax,” as defined in Section 17039, an
6 amount as determined by the committee pursuant to paragraph (2)
7 and approved pursuant to Section 18410.2.
8 (2) The credit under this section shall be allocated by GO-Biz
9 with respect to the 2013–14 fiscal year through and including the
10 2017–18 fiscal year. The amount of credit allocated to a taxpayer
11 with respect to a fiscal year pursuant to this section shall be as set
12 forth in a written agreement between GO-Biz and the taxpayer and
13 shall be based on the following factors:
14 (A) The number of jobs the taxpayer will create or retain in this
15 state.
16 (B) The compensation paid or proposed to be paid by the
17 taxpayer to its employees, including wages and fringe benefits.
18 (C) The amount of investment in this state by the taxpayer.
19 (D) The extent of unemployment or poverty in the area
20 according to the United States Census in which the taxpayer’s
21 project or business is proposed or located.
22 (E) The incentives available to the taxpayer in this state,
23 including incentives from the state, local government, and other
24 entities.
25 (F) The incentives available to the taxpayer in other states.
26 (G) The duration of the proposed project and the duration the
27 taxpayer commits to remain in this state.

1 (H) The overall economic impact in this state of the taxpayer's
2 project or business.

3 (I) The strategic importance of the taxpayer's project or business
4 to the state, region, or locality.

5 (J) The opportunity for future growth and expansion in this state
6 by the taxpayer's business.

7 (K) The extent to which the anticipated benefit to the state
8 exceeds the projected benefit to the taxpayer from the tax credit.

9 (3) The written agreement entered into pursuant to paragraph
10 (2) shall include:

11 (A) Terms and conditions that include the taxable year or years
12 for which the credit allocated shall be allowed, a minimum
13 compensation level, and a minimum job retention period.

14 (B) Provisions indicating whether the credit is to be allocated
15 in full upon approval or in increments based on mutually agreed
16 upon milestones when satisfactorily met by the taxpayer.

17 (C) Provisions that allow the committee to recapture the credit,
18 in whole or in part, if the taxpayer fails to fulfill the terms and
19 conditions of the written agreement.

20 (b) For purposes of this section:

21 (1) "Committee" means the California Competes Tax Credit
22 Committee established pursuant to Section 18410.2.

23 (2) "GO-Biz" means the Governor's Office of Business and
24 Economic Development.

25 (c) For purposes of this section, GO-Biz shall do the following:

26 (1) Give priority to a taxpayer whose project or business is
27 located or proposed to be located in an area of high unemployment
28 or poverty.

29 (2) Negotiate with a taxpayer the terms and conditions of
30 proposed written agreements that provide the credit allowed
31 pursuant to this section to a taxpayer.

32 (3) Provide the negotiated written agreement to the committee
33 for its approval pursuant to Section 18410.2.

34 (4) Inform the Franchise Tax Board of the terms and conditions
35 of the written agreement upon approval of the written agreement
36 by the committee.

37 (5) Inform the Franchise Tax Board of any recapture, in whole
38 or in part, of a previously allocated credit upon approval of the
39 recapture by the committee.

40 (6) Post on its Internet Web site all of the following:

1 (A) The name of each taxpayer allocated a credit pursuant to
2 this section.

3 (B) The estimated amount of the investment by each taxpayer.

4 (C) The estimated number of jobs created or retained.

5 (D) The amount of the credit allocated to the taxpayer.

6 (E) The amount of the credit recaptured from the taxpayer, if
7 applicable.

8 (d) For purposes of this section, the Franchise Tax Board shall
9 do all of the following:

10 (1) (A) Except as provided in subparagraph (B), review the
11 books and records of all taxpayers allocated a credit pursuant to
12 this section to ensure compliance with the terms and conditions
13 of the written agreement between the taxpayer and GO-Biz.

14 (B) In the case of a taxpayer that is a “small business,” as
15 defined in Section 17053.73, review the books and records of the
16 taxpayer allocated a credit pursuant to this section to ensure
17 compliance with the terms and conditions of the written agreement
18 between the taxpayer and GO-Biz when, in the sole discretion of
19 the Franchise Tax Board, a review of those books and records is
20 appropriate or necessary in the best interests of the state.

21 (2) Notwithstanding Section 19542:

22 (A) Notify GO-Biz of a possible breach of the written agreement
23 by a taxpayer and provide detailed information regarding the basis
24 for that determination.

25 (B) Provide information to GO-Biz with respect to whether a
26 taxpayer is a “small business,” as defined in Section 17053.73.

27 (e) In the case where the credit allowed under this section
28 exceeds the “net tax,” as defined in Section 17039, for a taxable
29 year, the excess credit may be carried over to reduce the “net tax”
30 in the following taxable year, and succeeding five taxable years,
31 if necessary, until the credit has been exhausted.

32 (f) Any recapture, in whole or in part, of a credit approved by
33 the committee pursuant to Section 18410.2 shall be treated as a
34 mathematical error appearing on the return. Any amount of tax
35 resulting from that recapture shall be assessed by the Franchise
36 Tax Board in the same manner as provided by Section 19051. The
37 amount of tax resulting from the recapture shall be added to the
38 tax otherwise due by the taxpayer for the taxable year in which
39 the committee’s recapture determination occurred.

(g) (1) The aggregate amount of credit that may be allocated in any fiscal year pursuant to this section and Section 23689 shall be an amount equal to the sum of subparagraphs (A), (B), and (C), less the amount specified in subparagraphs (D) and ~~(E), and plus the amount specified in subparagraph (F): (E):~~

(A) Thirty million dollars (\$30,000,000) for the 2013–14 fiscal year, one hundred fifty million dollars (\$150,000,000) for the 2014–15 fiscal year, and two hundred million dollars (\$200,000,000) for each fiscal year from 2015–16 to 2017–18, inclusive.

(B) The unallocated credit amount, if any, from the preceding fiscal year.

(C) The amount of any previously allocated credits that have been recaptured.

(D) The amount estimated by the Director of Finance, in consultation with the Franchise Tax Board and the State Board of Equalization, to be necessary to limit the aggregation of the estimated amount of exemptions claimed pursuant to Section 6377.1 and of the amounts estimated to be claimed pursuant to this section and Sections 17053.73, 23626, and 23689 to no more than seven hundred fifty million dollars (\$750,000,000) for either the current fiscal year or the next fiscal year.

(i) The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee of the estimated annual allocation authorized by this paragraph. Any allocation pursuant to these provisions shall be made no sooner than 30 days after written notification has been provided to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees of each house of the Legislature that consider appropriation, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine.

(ii) In no event shall the amount estimated in this subparagraph be less than zero dollars (\$0).

(E) (i) For the 2015–16 fiscal year and each fiscal year thereafter, ~~the aggregate amount of credit that may be allocated pursuant to this section and Section 23689 shall be reduced by the~~ amount of credit *estimated by the Director of Finance to be* allowed to all qualified taxpayers *for that fiscal year* pursuant to

1 subparagraph (A) or subparagraph (B) of paragraph (1) of
2 subdivision (c) of Section 23636.

3 (ii) If the amount available per fiscal year pursuant to this section
4 and Section 23689 is less than the aggregate amount of credit
5 *estimated by the Director of Finance to be* allowed to qualified
6 taxpayers pursuant to subparagraph (A) or subparagraph (B) of
7 paragraph (1) of subdivision (c) of Section 23636, the aggregate
8 amount allowed pursuant to Section 23636 shall not be reduced
9 and, in addition to the reduction required by clause (i), the
10 aggregate amount of credit that may be allocated pursuant to this
11 section and Section 23689 for the next fiscal year shall be reduced
12 by the amount of that deficit.

13 (iii) It is the intent of the Legislature that the reductions specified
14 in this subparagraph of the aggregate amount of credit that may
15 be allocated pursuant to this section and Section 23689 shall
16 continue if the repeal dates of the credits allowed by this section
17 and Section 23689 are removed or extended.

18 ~~(F)~~

19 (2) (A) In addition to the other amounts determined pursuant
20 ~~this paragraph (1)~~, the Director of Finance may increase the
21 aggregate amount *of credit that may be allocated pursuant to this*
22 *section and Section 23689* by up to twenty-five million dollars
23 *(\$25,000,000) per fiscal year through 2019 the 2017–18 fiscal*
24 *year*. The amount of any increase made pursuant to this
25 ~~subparagraph, paragraph~~, when combined with any increase made
26 pursuant to ~~subparagraph (F) of paragraph (1)~~ *paragraph (2)* of
27 subdivision (g) of Section 23689, shall not exceed twenty-five
28 million dollars *(\$25,000,000) per fiscal year through 2019 the*
29 *2017–18 fiscal year*.

30 ~~(G)~~

31 (B) It is the intent of the Legislature that the Director of Finance
32 increase the aggregate amount under subparagraph ~~(F)~~ (A) in order
33 to mitigate the reduction of the amount available due to the credit
34 allowed to all qualified taxpayers pursuant to subparagraph (A) or
35 (B) of paragraph (1) of subdivision (c) of Section 23636.

36 ~~(2)~~

37 (3) Each fiscal year, 25 percent of the aggregate amount of the
38 credit that may be allocated pursuant to this section and Section
39 23689 shall be reserved for small business, as defined in Section
40 17053.73 or 23626.

1 ~~(3)~~

2 (4) Each fiscal year, no more than 20 percent of the aggregate
3 amount of the credit that may be allocated pursuant to this section
4 shall be allocated to any one taxpayer.

5 (h) GO-Biz may prescribe rules and regulations as necessary to
6 carry out the purposes of this section. Any rule or regulation
7 prescribed pursuant to this section may be by adoption of an
8 emergency regulation in accordance with Chapter 3.5 (commencing
9 with Section 11340) of Part 1 of Division 3 of Title 2 of the
10 Government Code.

11 (i) A written agreement between GO-Biz and a taxpayer with
12 respect to the credit authorized by this section shall comply with
13 existing law on the date the agreement is executed.

14 (j) (1) Upon the effective date of this section, the Department
15 of Finance shall estimate the total dollar amount of credits that
16 will be claimed under this section with respect to each fiscal year
17 from the 2013–14 fiscal year to the 2024–25 fiscal year, inclusive.

18 (2) The Franchise Tax Board shall annually provide to the Joint
19 Legislative Budget Committee, by no later than March 1, a report
20 of the total dollar amount of the credits claimed under this section
21 with respect to the relevant fiscal year. The report shall compare
22 the total dollar amount of credits claimed under this section with
23 respect to that fiscal year with the department's estimate with
24 respect to that same fiscal year. If the total dollar amount of credits
25 claimed for the fiscal year is less than the estimate for that fiscal
26 year, the report shall identify options for increasing annual claims
27 of the credit so as to meet estimated amounts.

28 (k) This section is repealed on December 1, 2025.

29 SEC. 2. Section 23689 of the Revenue and Taxation Code is
30 amended to read:

31 23689. (a) (1) For each taxable year beginning on and after
32 January 1, 2014, and before January 1, 2025, there shall be allowed
33 as a credit against the "tax," as defined in Section 23036, an amount
34 as determined by the committee pursuant to paragraph (2) and
35 approved pursuant to Section 18410.2.

36 (2) The credit under this section shall be allocated by GO-Biz
37 with respect to the 2013–14 fiscal year through and including the
38 2017–18 fiscal year. The amount of credit allocated to a taxpayer
39 with respect to a fiscal year pursuant to this section shall be as set

1 forth in a written agreement between GO-Biz and the taxpayer and
2 shall be based on the following factors:

3 (A) The number of jobs the taxpayer will create or retain in this
4 state.

5 (B) The compensation paid or proposed to be paid by the
6 taxpayer to its employees, including wages and fringe benefits.

7 (C) The amount of investment in this state by the taxpayer.

8 (D) The extent of unemployment or poverty in the area
9 according to the United States Census in which the taxpayer's
10 project or business is proposed or located.

11 (E) The incentives available to the taxpayer in ~~the~~ *this* state,
12 including incentives from the state, local government, and other
13 entities.

14 (F) The incentives available to the taxpayer in other states.

15 (G) The duration of the proposed project and the duration the
16 taxpayer commits to remain in this state.

17 (H) The overall economic impact in this state of the taxpayer's
18 project or business.

19 (I) The strategic importance of the taxpayer's project or business
20 to the state, region, or locality.

21 (J) The opportunity for future growth and expansion in this state
22 by the taxpayer's business.

23 (K) The extent to which the anticipated benefit to the state
24 exceeds the projected benefit to the taxpayer from the tax credit.

25 (3) The written agreement entered into pursuant to paragraph
26 (2) shall include:

27 (A) Terms and conditions that include the taxable year or years
28 for which the credit allocated shall be allowed, a minimum
29 compensation level, and a minimum job retention period.

30 (B) Provisions indicating whether the credit is to be allocated
31 in full upon approval or in increments based on mutually agreed
32 upon milestones when satisfactorily met by the taxpayer.

33 (C) Provisions that allow the committee to recapture the credit,
34 in whole or in part, if the taxpayer fails to fulfill the terms and
35 conditions of the written agreement.

36 (b) For purposes of this section:

37 (1) "Committee" means the California Competes Tax Credit
38 Committee established pursuant to Section 18410.2.

39 (2) "GO-Biz" means the Governor's Office of Business and
40 Economic Development.

1 (c) For purposes of this section, GO-Biz shall do the following:

2 (1) Give priority to a taxpayer whose project or business is
3 located or proposed to be located in an area of high unemployment
4 or poverty.

5 (2) Negotiate with a taxpayer the terms and conditions of
6 proposed written agreements that provide the credit allowed
7 pursuant to this section to a taxpayer.

8 (3) Provide the negotiated written agreement to the committee
9 for its approval pursuant to Section 18410.2.

10 (4) Inform the Franchise Tax Board of the terms and conditions
11 of the written agreement upon approval of the written agreement
12 by the committee.

13 (5) Inform the Franchise Tax Board of any recapture, in whole
14 or in part, of a previously allocated credit upon approval of the
15 recapture by the committee.

16 (6) Post on its Internet Web site all of the following:

17 (A) The name of each taxpayer allocated a credit pursuant to
18 this section.

19 (B) The estimated amount of the investment by each taxpayer.

20 (C) The estimated number of jobs created or retained.

21 (D) The amount of the credit allocated to the taxpayer.

22 (E) The amount of the credit recaptured from the taxpayer, if
23 applicable.

24 (d) For purposes of this section, the Franchise Tax Board shall
25 do all of the following:

26 (1) (A) Except as provided in subparagraph (B), review the
27 books and records of all taxpayers allocated a credit pursuant to
28 this section to ensure compliance with the terms and conditions
29 of the written agreement between the taxpayer and GO-Biz.

30 (B) In the case of a taxpayer that is a “small business,” as
31 defined in Section 23626, review the books and records of the
32 taxpayer allocated a credit pursuant to this section to ensure
33 compliance with the terms and conditions of the written agreement
34 between the ~~taxpayers~~ taxpayer and GO-Biz when, in the sole
35 discretion of the Franchise Tax Board, a review of those books
36 and records is appropriate or necessary in the best interests of the
37 state.

38 (2) Notwithstanding Section 19542:

1 (A) Notify GO-Biz of a possible breach of the written agreement
2 by a taxpayer and provide detailed information regarding the basis
3 for that determination.

4 (B) Provide information to GO-Biz with respect to whether a
5 taxpayer is a “small business,” as defined in Section 23626.

6 (e) In the case where the credit allowed under this section
7 exceeds the “tax,” as defined in Section 23036, for a taxable year,
8 the excess credit may be carried over to reduce the “tax” in the
9 following taxable year, and succeeding five taxable years, if
10 necessary, until the credit has been exhausted.

11 (f) Any recapture, in whole or in part, of a credit approved by
12 the committee pursuant to Section 18410.2 shall be treated as a
13 mathematical error appearing on the return. Any amount of tax
14 resulting from that recapture shall be assessed by the Franchise
15 Tax Board in the same manner as provided by Section 19051. The
16 amount of tax resulting from the recapture shall be added to the
17 tax otherwise due by the taxpayer for the taxable year in which
18 the committee’s recapture determination occurred.

19 (g) (1) The aggregate amount of credit that may be allocated
20 in any fiscal year pursuant to this section and Section 17059.2 shall
21 be an amount equal to the sum of subparagraphs (A), (B), and (C),
22 less the amount specified in subparagraphs (D) and ~~(E), and plus~~
23 ~~the amount specified in subparagraph (F): (E):~~

24 (A) Thirty million dollars (\$30,000,000) for the 2013–14 fiscal
25 year, one hundred fifty million dollars (\$150,000,000) for the
26 2014–15 fiscal year, and two hundred million dollars
27 (\$200,000,000) for each fiscal year from 2015–16 to 2017–18,
28 inclusive.

29 (B) The unallocated credit amount, if any, from the preceding
30 fiscal year.

31 (C) The amount of any previously allocated credits that have
32 been recaptured.

33 (D) The amount estimated by the Director of Finance, in
34 consultation with the Franchise Tax Board and the State Board of
35 Equalization, to be necessary to limit the aggregation of the
36 estimated amount of exemptions claimed pursuant to Section
37 6377.1 and of the amounts estimated to be claimed pursuant to
38 this section and Sections 17053.73, 17059.2, and 23626 to no more
39 than seven hundred fifty million dollars (\$750,000,000) for either
40 the current fiscal year or the next fiscal year.

1 (i) The Director of Finance shall notify the Chairperson of the
2 Joint Legislative Budget Committee of the estimated annual
3 allocation authorized by this paragraph. Any allocation pursuant
4 to these provisions shall be made no sooner than 30 days after
5 written notification has been provided to the Chairperson of the
6 Joint Legislative Budget Committee and the chairpersons of the
7 committees of each house of the Legislature that consider
8 appropriation, or not sooner than whatever lesser time the
9 Chairperson of the Joint Legislative Budget Committee, or his or
10 her designee, may determine.

11 (ii) In no event shall the amount estimated in this subparagraph
12 be less than zero dollars (\$0).

13 (E) (i) For the 2015–16 fiscal year and each fiscal year
14 thereafter, ~~the aggregate amount of credit that may be allocated~~
15 ~~pursuant to this section and Section 17059.2 shall be reduced by~~
16 the amount of credit *estimated by the Director of Finance to be*
17 allowed to all qualified taxpayers *for that fiscal year* pursuant to
18 subparagraph (A) or subparagraph (B) of paragraph (1) of
19 subdivision (c) of Section 23636.

20 (ii) If the amount available per fiscal year pursuant to this section
21 and Section 17059.2 is less than the aggregate amount *of credit*
22 *estimated by the Director of Finance to be* allowed to qualified
23 taxpayers pursuant to subparagraph (A) or subparagraph (B) of
24 paragraph (1) of subdivision (c) of Section 23636, the aggregate
25 amount allowed pursuant to Section 23636 shall not be reduced
26 and, in addition to the reduction required by clause (i), the
27 aggregate amount ~~available~~ *of credit that may be allocated* pursuant
28 to this section and Section 17059.2 for the next fiscal year shall
29 be reduced by the amount of that deficit.

30 (iii) It is the intent of the Legislature that the reductions specified
31 in this subparagraph of the aggregate amount of credit that may
32 be allocated pursuant to this section and Section 17059.2 shall
33 continue if the repeal dates of the credits allowed by this section
34 and Section 17059.2 are removed or extended.

35 ~~(F)~~
36 (2) (A) In addition to the other amounts determined pursuant
37 ~~to this paragraph, paragraph (1),~~ the Director of Finance may
38 increase the aggregate amount *of credit that may be allocated*
39 *pursuant to this section and Section 17059.2* by up to twenty-five
40 million dollars (\$25,000,000) per *fiscal year* through ~~2019 the~~

1 2017–18 *fiscal year*. The amount of any increase made pursuant
2 to this ~~subparagraph~~, *paragraph*, when combined with any increase
3 made pursuant to ~~subparagraph (F) of paragraph (1)~~ *paragraph*
4 (2) of subdivision (g) of Section 17059.2, shall not exceed
5 twenty-five million dollars (\$25,000,000) per *fiscal year* through
6 ~~2019~~ *the 2017–18 fiscal year*.

7 ~~(G)~~

8 (B) It is the intent of the Legislature that the Director of Finance
9 increase the aggregate amount under subparagraph ~~(F)~~ (A) in order
10 to mitigate the reduction of the amount available due to the credit
11 allowed to all qualified taxpayers pursuant to subparagraph (A) or
12 (B) of paragraph (1) of subdivision (c) of *Section 23636*.

13 ~~(2)~~

14 (3) Each fiscal year, 25 percent of the aggregate amount of the
15 credit that may be allocated pursuant to this section and Section
16 17059.2 shall be reserved for “small business,” as defined in
17 Section 17053.73 or 23626.

18 ~~(3)~~

19 (4) Each fiscal year, no more than 20 percent of the aggregate
20 amount of the credit that ~~shall~~ *may* be allocated pursuant to this
21 section ~~may~~ *shall* be allocated to any one taxpayer.

22 (h) GO-Biz may prescribe rules and regulations as necessary to
23 carry out the purposes of this section. Any rule or regulation
24 prescribed pursuant to this section may be by adoption of an
25 emergency regulation in accordance with Chapter 3.5 (commencing
26 with Section 11340) of Part 1 of Division 3 of Title 2 of the
27 Government Code.

28 (i) (1) A written agreement between GO-Biz and a taxpayer
29 with respect to the credit authorized by this section shall not
30 restrict, broaden, or otherwise alter the ability of the taxpayer to
31 assign that credit or any portion thereof in accordance with Section
32 23663.

33 (2) A written agreement between GO-Biz and a taxpayer with
34 respect to the credit authorized by this section must comply with
35 existing law on the date the agreement is executed.

36 (j) (1) Upon the effective date of this section, the Department
37 of Finance shall estimate the total dollar amount of credits that
38 will be claimed under this section with respect to each fiscal year
39 from the 2013–14 fiscal year to the 2024–25 fiscal year, inclusive.

1 (2) The Franchise Tax Board shall annually provide to the Joint
2 Legislative Budget Committee, by no later than March 1, a report
3 of the total dollar amount of the credits claimed under this section
4 with respect to the relevant fiscal year. The report shall compare
5 the total dollar amount of credits claimed under this section with
6 respect to that fiscal year with the department's estimate with
7 respect to that same fiscal year. If the total dollar amount of credits
8 claimed for the fiscal year is less than the estimate for that fiscal
9 year, the report shall identify options for increasing annual claims
10 of the credit so as to meet estimated amounts.

11 (k) This section is repealed on December 1, 2025.

12 SEC. 3. This act provides for a tax levy within the meaning of
13 Article IV of the Constitution and shall go into immediate effect.